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SRI SARADA SAKTHI

MAT. HR. SEC. SCHOOL

ECONOMICS**TEST NO.1****GRADE: XII****MARKS: 50****I CHOOSE THE CORRECT ANSWER**

30 X 1 = 30

1. Who is regarded as Father of Modern Macro Economics?
 - a) Adam Smith
 - b) J M Keynes
 - c) Ragnar Frisch
 - d) Karl Marx
2. Economic system representing equality in distribution is _____.
 - a) Capitalism
 - b) Globalism
 - c) Mixedism
 - d) Socialism
3. Identify the flow variable.
 - a) money supply
 - b) assets
 - c) income
 - d) foreign exchange reserves
4. Income method is measured by summing up of all forms of
 - a) Revenue
 - b) Taxes
 - c) expenditure
 - d) Income
5. Tertiary sector is also called as sector
 - a) Service
 - b) Income
 - c) Industrial
 - d) Production
6. PQLI is the indicator of
 - a) Economic growth
 - b) Economic welfare
 - c) Economic progress
 - d) Economic development
7. The largest proportion of national income comes from
 - a) Private sector
 - b) Local sector
 - c) Public sector
 - d) None of the above
8. Flexibility brings equality between saving and investment.
 - a) Demand
 - b) Supply
 - c) Capital
 - d) Interest
9. According to classical theory, rate of interest is a reward for
 - a) Investment
 - b) Demand
 - c) Capital
 - d) Saving
10. An increase in the marginal propensity to consume will:
 - a) Lead to consumption function becoming steeper
 - b) Shift the consumption function upwards
 - c) Shift the consumption function downwards
 - d) Shift savings function upwards
11. Lower interest rates are likely to :
 - a) Decrease in consumption
 - b) increase cost of borrowing
 - c) Encourage saving
 - d) increase borrowing and spending
12. In an open economy import _____ the value of the multiplier
 - a) Reduces
 - b) increase
 - c) does not change
 - d) changes
13. Inflation means
 - a) Prices are rising
 - b) Prices are falling
 - c) Value of money is increasing
 - d) Prices are remaining the same
14. The study of alternating fluctuations in business activity is referred to in Economics as
 - a) Boom
 - b) Recession
 - c) Recovery
 - d) Trade cycle
15. Bank credit refers to
 - a) Bank Loans
 - b) Advances
 - c) Bank loans and advances
 - d) Borrowings
16. Expansions of ATM.
 - a) Automated Teller Machine
 - b) Adjustment Teller Machine
 - c) Automatic Teller mechanism
 - d) Any Time Money
17. Cyclical disequilibrium in BOP occurs because of
 - a) Different paths of business cycle.
 - b) The income elasticity of demand or price elasticity of demand is different.
 - c) long-run changes in an economy
 - d) Both (a) and (b).

Kindly send me your key answers to our email id - padasalai.net@gamil.com

18. The headquarters of ASEAN is
 - a) Jaharta
 - b) New Delhi
 - c) Colombo
 - d) Tokyo
19. Which of the following canons of taxation was not listed by Adam smith?
 - a) Canon of equality
 - b) Canon of certainty
 - c) Canon of convenience
 - d) Canon of simplicity
20. Which of the following is **not** a tax under Union list?
 - a) Personal Income Tax
 - b) Corporation Tax
 - c) Agricultural Income Tax
 - d) Excise duty
21. The difference between revenue expenditure and revenue receipts is
 - a) Revenue deficit
 - b) Fiscal deficit
 - c) Budget deficit
 - d) Primary deficit
22. Ecosystem is smallest unit of
 - a) Ionosphere
 - b) Lithosphere
 - c) Biosphere
 - d) Mesosphere
23. Global warming also refers to as
 - a) Ecological change
 - b) Climate Change
 - c) Atmosphere change
 - d) None of the above
24. Primary cause of Soil pollution is -----
 - a) Pest control measures
 - b) Land reclamation
 - c) Agricultural runoff
 - d) Chemical fertilizer
25. Which of the following plan has focused on the agriculture and rural economy?
 - a) People's Plan
 - b) Bombay Plan
 - c) Gandhian Plan
 - d) Vishveshwarya Plan
26. Perspective plan is also known as ----
 - a) Short-term plan
 - b) Medium-term plan
 - c) Long-term plan
 - d) None of the above
27. Sources of secondary data are _____.
 - a) Published sources
 - b) Unpublished sources.
 - c) neither published nor unpublished sources.
 - d) Both (A) and (B)
28. In the regression equation $Y = \beta_0 + \beta_1 X$, the Y is called:
 - a) Independent variable
 - b) Dependent variable
 - c) Continuous variable
 - d) none of the above
29. The raw materials of Econometrics are:
 - a) Data
 - b) Goods
 - c) Statistics
 - d) Mathematics
30. 49. Econometrics is the integration of
 - a) Economics and Statistics
 - b) Economics and Mathematics
 - c) Economics, Mathematics and Statistics
 - d) None of the above

II ANSWER THE FOLLOWING

10 X 2 = 20

31. Define Multiplier
32. Define marginal propensity to consume (MPC)
33. What do you mean by propensity to save?
34. What is consumption function?
35. Define marginal propensity to save (MPS)
36. What is credit creation?
37. Distinguish between CRR and SLR
38. What is rationing of credit?
39. Define commercial banks.
40. Mention the functions of agriculture credit department.

"There is no substitute for hard work."

ALL THE BEST